

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 347

AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 8-1-30.5 IS REPEALED [EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]. (Water Utility Resource Data).

SECTION 2. IC 8-1-30.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 30.7. Non-Revenue Water Auditing

Sec. 1. The general assembly makes the following findings:

- (1) Safe and affordable drinking water is essential to public health and economic development throughout Indiana.**
- (2) The cost of providing reliable drinking water is increasing due to factors such as aging infrastructure, increased energy costs, and complex and costly changes in the regulatory requirements for safe drinking water.**
- (3) Water main breaks are visible and disruptive manifestations of the more widespread phenomenon of leakage from water systems.**
- (4) Leakage of drinking water from water distribution systems adds to the cost of service to customers and may lead to increased raw water demands that harm the natural environment.**
- (5) The failure of water utilities to recover revenue from some of the water delivered to users due to:**

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(A) metering and billing inaccuracies; and

(B) theft;

increases the cost per unit of water that is billed to customers.

(6) Best management practices suggest that drinking water utilities should conduct an annual water audit in accordance with the American Water Works Association (AWWA) Manual of Water Supply Practices M-36: Water Audits and Loss Control Programs.

(7) The AWWA has published software for use in categorizing and reporting water losses and has made the software available without charge.

(8) AWWA M-36 water audit protocol classifies water volumes entering water distribution systems into revenue water and non-revenue water, with:

(A) revenue water representing billed water consumption; and

(B) non-revenue water consisting of the difference between the volume entering the distribution system and revenue water.

(9) Regular auditing of water volumes is a necessary foundation for the adoption of cost effective strategies to reduce the level of non-revenue water to economically reasonable levels.

Sec. 2. As used in this chapter, "authority" refers to the Indiana finance authority established by IC 4-4-11-4.

Sec. 3. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.

Sec. 4. As used in this chapter, "non-revenue water" means the difference between the annual volume of water entering a water distribution system and revenue water of the system.

Sec. 5. As used in this chapter, "revenue water" means the annual amount of water consumption billed to customers.

Sec. 6. As used in this chapter, "water audit" means an audit performed in accordance with the AWWA Manual of Water Supply Practices M-36: Water Audits and Loss Control Programs.

Sec. 7. As used in this chapter, "water related state agency" means any of the following:

(1) The Indiana finance authority established by IC 4-4-11.

(2) The department of administration created by IC 4-13-1-2.

(3) The commission.

(4) The office of utility consumer counselor created by IC 8-1-1.1-2.



(5) The department of environmental management established by IC 13-13-1-1.

(6) The department of natural resources created by IC 14-9-1-1.

(7) The state department of health established by IC 16-19-1-1.

(8) The Indiana geological survey established as a part of Indiana University by IC 21-47-2.

(9) The Indiana Water Resource Research Center of Purdue University.

(10) The state department of agriculture established by IC 15-11-2-1.

Sec. 8. As used in this chapter, "water utility" means:

- (1) a public utility (as defined in IC 8-1-2-1(a));
- (2) a municipally owned utility (as defined in IC 8-1-2-1(h));
- (3) a not-for-profit utility (as defined in IC 8-1-2-125(a));
- (4) a cooperatively owned corporation;
- (5) a conservancy district established under IC 14-33; or
- (6) a regional water district established under IC 13-26;

that provides water service to the public in Indiana for a fee.

Sec. 9. (a) For purposes of the report required by section 10 of this chapter, each water utility shall provide to the authority a water audit:

- (1) according to requirements established by the authority; and
- (2) not later than a date set by the authority so that the report prepared by the authority under section 10 of this chapter can reflect the results of the water audits of all water utilities.

(b) The authority shall summarize the results of the water audits provided under subsection (a) in the report prepared under section 10 of this chapter.

Sec. 10. Before November 1, 2017, the authority, in consultation with:

- (1) the commission and any other water related state agencies;
- (2) any political subdivisions (as defined in IC 36-1-2-13);
- (3) any water utilities or organizations of water utilities; and
- (4) any other interested parties;

that the authority chooses to consult with, shall prepare and submit in an electronic format under IC 5-14-6 to the executive director of the legislative services agency a report on non-revenue water and water loss in Indiana.

Sec. 11. This chapter expires July 1, 2018.



SECTION 3. IC 14-25-7-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) As used in this section, "authority" refers to the Indiana finance authority established by IC 4-4-11-4.

(b) As used in this section, "quality assurance review" means a process of reviewing and verifying water resources data with the goal of assuring the reliability of the data. The term includes the application of certain objectives, principles, and policies already in use at the Indiana geological survey in maintaining consistency in water resources data and accountability to the scientific community and general public.

(c) The authority shall perform a quality assurance review of the water resources data compiled from the reports submitted by owners of significant water withdrawal facilities under:

- (1) section 15 of this chapter; and
- (2) IC 13-2-6.1-1 and IC 13-2-6.1-7 (before their repeal);

beginning with the reports submitted for the 1985 calendar year.

(d) The authority may enter into contracts with one (1) or more professionals or state educational institutions under which the professionals or state educational institutions will perform some or all of the duties imposed on the authority by this section. The authority may compensate the professionals or state educational institutions for work performed under this section with:

- (1) money from the drinking water revolving loan fund established by IC 13-18-21-2; or
- (2) any other funds appropriated to the authority.

(e) In performing the quality assurance review required by this section, the authority shall use the water resources data in a manner that:

- (1) protects the confidential information of owners of significant water withdrawal facilities; and
- (2) is consistent with IC 5-14-3-4.

(f) The authority shall present the results of the quality assurance review performed under this section, as those results become available, to the water rights and use section of the department's division of water. The water rights and use section shall maintain the results in the data base of data extracted from reports submitted by owners of significant water withdrawal facilities under section 15 of this chapter (and IC 13-2-6.1-1 and IC 13-2-6.1-7 before their repeal).

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) The following definitions apply throughout this SECTION:



- (1) "Authority" refers to the Indiana finance authority created by IC 4-4-11-4.
- (2) "Commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.
- (3) "State educational institution" has the meaning set forth in IC 21-7-13-32.
- (4) "Water utility" means any of the following:
 - (A) A public utility, as defined in IC 8-1-2-1(a), that furnishes water to its customers.
 - (B) A municipally owned utility, as defined in IC 8-1-2-1(h), that furnishes water to its customers.
 - (C) A not-for-profit utility, as defined in IC 8-1-2-125(a), that furnishes water to its customers.
 - (D) A utility that:
 - (i) is owned cooperatively by its customers; and
 - (ii) furnishes water to its customers.
 - (E) A conservancy district established under IC 14-33 that furnishes water to its customers.
 - (F) A regional district established under IC 13-26 that furnishes water to its customers.
- (b) The authority shall:
 - (1) study; and
 - (2) prepare an analysis of;

the infrastructure needs of the water utilities of Indiana. The authority shall submit a report on its study and analysis in an electronic format under IC 5-14-6 to the executive director of the legislative services agency not later than November 1, 2016.
- (c) In preparing the analysis required by this SECTION, the authority:
 - (1) shall consult with:
 - (A) water utilities; and
 - (B) the commission; and
 - (2) may consult with any other entity or individual having information the authority considers relevant to the infrastructure needs of water utilities.
- (d) The authority may hold public meetings to gather information for the purposes of preparing the analysis required by this SECTION.
- (e) The authority may enter into contracts with one (1) or more professionals or state educational institutions under which the professionals or state educational institutions will perform some or all of the duties imposed on the authority by this SECTION. The



authority may compensate the professionals or state educational institutions for work performed under this SECTION with:

(1) money from the drinking water revolving loan fund established by IC 13-18-21-2; or

(2) any other funds appropriated to the authority.

(f) In conducting the study and preparing the analysis required by this SECTION, the authority shall use any data it acquires in a manner that:

(1) protects the confidential information of individual water utilities; and

(2) is consistent with IC 5-14-3-4.

(g) This SECTION expires January 1, 2017.

SECTION 5. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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